

Pratt's new PurePower engine among stars of Paris Air Show

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Pratt & Whitney's gamble that its new PurePower geared turbofan engine would get it back into the narrow-body airliner market paid off in a major way this week at the Paris Air Show.

Sales of the new engines totaled roughly \$3 billion as of Friday; the show ends Sunday.

In the early 1990s Pratt decided not to field an engine for Boeing's 737, which became a wildly popular aircraft and left Pratt virtually out of the narrow-body market. But with the introduction of the geared turbofan, also known as the PW1000G, Pratt is back in the game, industry analysts say.

Furthermore, when Boeing decides whether it will offer a revamped 737 or a new narrow-body plane to compete with Airbus' fast-selling A320neo, Pratt stands to gain more business from its new engine, Ray Jaworowski, senior aerospace analyst with Newtown-based Forecast International, said.

"The Paris show indicates that the A320neo engine contest is now truly a two-horse race," Jaworowski said.

And the brisk business at the show is a sign that the aerospace industry is starting to shake off the effects of the recession, he added.

"Despite the sluggishness in the general economy, the sales activity at this year's Paris Air Show shows that the commercial airliner market is not only strong but is

growing,” Jaworowski said.

He added a major caveat, however.

“One note of caution: airlines largely place orders based on anticipated traffic patterns on their route networks,” he said. “Should the general economic recovery stall or even drop back into recession with air travel consequently being impacted a number of these new orders could ultimately be canceled or deferred.”

William Alibrandi, Forecast International’s aero engine analyst, also said that CFM International, Pratt’s chief competitor for business generated by the new Airbus A320neo, also made a strong showing at the Paris show. CFM, a joint venture between General Electric and Snecma of France, is developing an engine designated the Leap-X for the A320neo.

“Previous to the show, CFM had only one announced customer for the Leap-X — Virgin America selected that engine for their 30-aircraft order,” Alibrandi said. “In comparison, Pratt had engine orders from Lufthansa, 30 aircraft; IndiGo, 150 aircraft; International Lease Finance Corp., 60 firm, 40 options, totaling 240 firm and 40 options.”

Alibrandi said the orders that CFM has announced for the Leap-X engine at the Paris Air Show “have been impressive — and more so considering they have not completed or flown a single engine yet.”

CFM won a 200-engine order from AirAsia to power 100 A320neos, among others.

Although Pratt has had an edge by being named the lead engine on the A320neo, that alone has had “little bearing” on the sales effort, he said.

In addition, the A320neo is only half of the narrow-body market, Alibrandi said, adding Boeing has yet to decide what to do in response.

“They would be foolish not to offer the Pratt engine on whatever aircraft they do eventually sell,” he said of Boeing, “and I suspect the next 737 will have the same engine choices as the A320neo.”

Pratt’s geared turbofan also is capable of being boosted to more powerful thrust ranges, which, Alibrandi said, will give Pratt the advantage of being able to offer the more fuel-efficient, quieter, and less-polluting PW1000G for use on larger, wide-body aircraft.

Jaworowski, moreover, said it’s good news for Pratt that the Bombardier Aerospace CSeries narrow-body plane is picking up orders. Pratt’s PW1000G

series engine is the exclusive power plant for the CSeries.

Also, French-based turboprop manufacturer ATR Aircraft “had its best Paris show ever,” he said, and all of ATR’s aircraft are powered by Pratt & Whitney Canada turboprops.

“The market for regional turboprop airliners is quite robust these days,” Jaworowski said. “High fuel prices are helping to drive regional airlines away from jets toward turboprops.”

Alibrandi also cautioned against reading too much into the overwhelming number of contracts that went to Europe’s Airbus, as opposed to the Chicago-based Boeing Co. As of Friday, Boeing had reported about \$22 billion in orders at the air show, while Airbus had rung up around \$72 billion.

But that’s a reflection of Boeing’s lack of a competing aircraft thus far in the A320neo niche, he said.

“The narrow bodies are the biggest single segment of the market, so it’s understandable that an enhancement — new engines (on the A320neo) — resulting in significant fuel savings will get the airlines’ interest,” Alibrandi said. “The huge amount of interest in the A320neo will undoubtedly spur Boeing into action.”

Alibrandi added, “If they’d had a re-engined 737 to sell at the show, the sales totals would have been much more even.”

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